

# **EMBASSY OF THE UNITED STATES OF AMERICA**

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## **REMARKS BY**

## **U.S. AMBASSADOR DAN MOZENA**

### **International Business Forum Bangladesh (IBFB) Annual General Meeting**

**Saturday, March 31, 2012**

**DHAKA, MARCH 31** – U.S. Ambassador Dan Mozena gave the following remarks at the International Business Forum Bangladesh today.

(Begin Text)

Mahmudul Islam Chowdhury, President, International Business Forum Bangladesh

AK Azad, President, FBCCI

Aftab ul Islam, President, American Chamber of Commerce

Distinguished guests

Asalaam m'laikum

Good afternoon.

Last year I was a professor at the National War College in Washington. There I learned a new language, one vaguely similar to English, yet quite different. The language is called U.S. Military Speak. One new word I learned is BLUF ... B-L-U-F. This is a great word ... it stands for Bottom Line Up Front.

So, let me put this word to use; let me put my bottom line up front. Quite simply, my bottom line is this: Bangladesh is a wondrous nation, filled with great people; Bangladesh has great prospects for a bright future, one offering greater prosperity and improved quality of life for its people.

When I was in Chittagong last month, I spoke of the New Bangladesh, the Golden Bangladesh, the middle-income Bangladesh ... all possible within the coming decade or two. I spoke of Bangladesh as the next China in terms of ready-made garment exports. I said Bangladesh could be the next Asian tiger ... the Bengal tiger. I spoke from the depths of my heart in sharing my conviction that this vision of the Golden Bangladesh is no myth, but could be a reality within my lifetime, 'nshallah.

Let me remind you of what my envisioned Bengal tiger would look like. It would be the world's biggest exporter of ready-made garments; it would be the world's biggest exporter of household textiles; it would be an important global player in the IT sector, in building small freighters, in producing pharmaceuticals, in supplying raw silk and silk products, in providing finished leather goods. The Bengal Tiger would create well educated and trained manpower to develop both Bangladesh and other countries. And the Bengal Tiger would produce ample food supplies so the nation would be food self-sufficient and all citizens could benefit from balanced, nutritious diets. I could go on and on, but I think you get the point: I like the look of the Bengal Tiger.

Am I simply talking nonsense?

I think not.

The McKinsey Report documents Bangladesh's potential as the world's greatest RMG exporter. Goldman-Sachs cited Bangladesh as one of the next eleven emerging economies. Talk to Bangladeshi businessmen, the ship builders, the manufacturers of pharmaceuticals, the young people driving an innovative IT sector, experts in the raw silk industry, exporters of finished leather products. Do some legwork ... I think you will come to the same conclusion that I have.

I believe the time has come for Bangladesh, the world's seventh largest country, to take its rightful place in the global economy. Bangladesh is blessed in so many ways to become an important player in the global market. The nation is united, unified by a rich culture and a shared language. The people are energetic, dynamic, creative, entrepreneurial and resilient. The Bengali culture values education deeply and parents are prepared to make great sacrifices to educate their children. The country is richly endowed with natural resources, including fertile land, ample water, significant reserves of natural gas, and huge deposits of high-grade coal, which, if exploited properly, could make Bangladesh energy self-sufficient. Again, I could go on and on about Bangladesh's natural attributes, but I think I have made my point convincingly.

Ongoing fundamental shifts in the global economy open great opportunities for Bangladesh. Economic recoveries in America and Europe, albeit uneven, bode well for increased demand for Bangladeshi products. China's surging economic growth is altering its economy, making it increasingly less competitive for manufacturing ready-made garments and household textiles. Who hasn't seen Chinese businessmen in local hotels, checking out the possibilities

for relocating RMG manufacturing here? Bangladesh should be the destination of choice as RMG manufacturing looks to find new homes.

Global IT, too, is reaching out for new locations for outsourcing. Already, Bangladesh has proven competitive in attracting important animation business, but this should be but the tip of the iceberg. In the pharmaceutical industry, as patents expire, new opportunities arise for producing generic drugs. Bangladesh, whose pharmaceutical manufacturing industry enjoys an untainted record, could be a major beneficiary. Declining silk production in Japan, Korea and China opens enormous opportunities for huge growth in Bangladesh for this highly labor-intensive industry. Reflecting Bangladeshi ever-impressive entrepreneurial skills, Bangladeshi businessmen over the past few years discovered and exploited a niche market for small freighters; as the global economy revives, the demand for such vessels shall surely expand. I know Bangladeshi ship builders already have an eye on the shipping market in America's Great Lakes.

What do you think? Am I some crazy ambassador trying to curry favor by painting a mythical picture of a prosperous Bangladesh? I don't think so ...

The prosperous, middle-income Bangladesh that I envision will not happen automatically. Bangladesh will have to make some tough decisions to create an environment conducive to attracting massive inflows of investment and greatly expanded trade. You know the barriers better than I do: inadequate port capacity, deficient road and railroad capacity, unreliable power supplies, limited energy resources that force government to choose between supplying gas and power to industry, agriculture or households. This does not give potential investors great comfort.

Bureaucracy, red tape, inadequate rule of law and corruption greatly discourage investment. I could write volumes of the stories of American firms who considered investing in Bangladesh, but gave up after years and years of trying to penetrate the system. I weep when I think of the American investors who walked away from Bangladesh because the endless reams of forms and months/years of delay were simply too costly. It is a big world and Bangladesh is not the only country of opportunity. At a certain point, investors simply give up and take their money elsewhere ... and Bangladesh loses. Corruption, too, drives investors away. American companies face criminal charges should they succumb to corrupt activities, so their engagement here becomes increasingly costly as they take on additional safeguards to ensure they steer clear of corruption.

The specter of political uncertainty would also give investors pause. Investors hate nothing more than uncertainty. With the nation's next elections less than two years away, and still no agreement among the leading parties on how to conduct those elections so they are free, fair, credible and participatory, some investors may have second thoughts about putting their money at risk in a country where the political scenario is so uncertain.

These obstacles, these barriers to increased trade and investment are real and they are major, but they are all solvable. Not a single one of them, not a single one of them is

insurmountable. Good decisions by the government in partnership with the private sector and civil society could move all these barriers toward resolution.

America is doing its part. Over the next 5 years, the American government will bring about a billion dollars to our partnership with Bangladesh to improve food security, improve health care and cope with the challenges of climate change, among many other things. Our partnership with Bangladesh is already paying huge dividends as we advance deep change in the quality of life of millions of Bangladeshis. After all, a strong economy such as what I envision for Bangladesh requires healthy people, people with balanced, nutritious diets, people safe from the ravages of natural disaster. Be assured that the American government will continue to do its part to help Bangladesh become a middle income country.

The American private sector plays a central role in Bangladesh's growth. It is the largest investor in Bangladesh, the largest single market for Bangladeshi exports, and a source of profound technological and management expertise. I am proud that American business contributes so greatly to Bangladesh's success.

But the reality is that Bangladesh's success or failure in realizing the vision of becoming a middle income country lies largely with you, the business leaders of this great nation. You have the expertise, the resources, the political clout, the vision, the inspiration to effect change. You best know how to run a business or government efficiently; you best know how to eradicate red tapism and senseless bureaucracy; you best know the workings of corruption and how to rein it in; you best know how to develop the energy, power and infrastructure needed to enable this country to become the next China in terms of RMG exports; you best know that Bangladesh cannot fail to seize this moment to become a major player in the global marketplace; you best are able to persuade the nation's political leaders that the time is now to put aside the differences of the hour and to focus on strengthening Bangladesh's democracy by fostering conditions for free, fair and credible elections.

I truly believe that you and your fellow businessmen are best placed to foster the conditions so Bangladesh becomes the Bengal tiger. I along with all the people of wonderful Bangladesh wish you great success in this critical endeavor.

Thank you.

(End Text)

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